



Tourism & Events Department  
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Karen Churchard, Director  
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## MEMORANDUM

To: Chairman David Scholefield and members of the Tourism Development Commission  
From: Karen Churchard, Tourism & Events Director  
Date: December 7, 2017  
Subject: Tourism & Events FY 2018/19 Operating Budget Request

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Attached is the Tourism & Events Department's (TED) request for FY 2018/19 Operating Budget Tourism Development Carryover funds, which continues the work set forth by the Tourism Strategic Plan through the Tourism Advisory Task Force and TDC.

At the upcoming December 12 meeting, the Tourism & Events staff will review these requests and seek TDC's input and recommendations prior to staff submitting the TED budget and to the Treasurer's Office in early January 2018.

In addition to the request for use of Tourism Development Carryover Funds, the staff will seek input on the submittal of a full-time employee, which would be paid for through the annual \$500,000 administration allocation set forth by Financial Policy 21-A.

Please note that funding for the November 2018 Canal Convergence will be requested collaboratively with the City and Scottsdale Public Art at a future TDC meeting.

Finally, the second attachment is a snapshot of TED's FY 2017/18 Budget as approved by City Council. This provides the TDC with information pertaining to our departments staffing as well as expenditures by fund and type.

### Attachments:

- Item 4b FY 2017-18 Tourism Events Dept Budget\_Book
- Item 4a Operating Budget Request for FY 2018-19

**TOURISM DEVELOPMENT CARRY-OVER FUND  
FY 2018/19 OPERATING BUDGET REQUEST**

<b>Description</b>	<b>Justification</b>	<b>2017/18 Budget</b>	<b>2018/19 Request</b>	<b>Notes / Information</b>
Marketing				
Brand Research & Launch	Brand Outlook research focused on consumers and merchants; launch event January 2018.	\$ 100,000	\$ -	
Agency Work	Ongoing creative for brand development, advertising, website.	\$ 80,000	\$ 100,000	
Advertising	Campaign to visitors that are in-market and Great Phoenix Metropolitan residents. Visitors in market campaign is January-March; Residents campaign is April-October.	\$ 100,000	\$ 100,000	The City annually budgets \$100,000 through general fund. Total advertising budget = \$200,000. November-December is not included; agency recommends not having two messages simultaneously i.e. Scottsdazzle.
Brochure / Map	The City annually produces a Downtown Directory through a vendor. The contract has expired. The City plans to create a more simplified map for distribution to hotels, airports, downtown kiosks in FY 2018/19.	\$ -	\$ 50,000	For the upcoming season, the City will utilize a new z-map being created by Experience Scottsdale. The City may supplement Experience Scottsdale's budget based on City's need for up to 250,000 quantity.
		<b>\$ 280,000</b>	<b>\$ 250,000</b>	
Event Activation				
Scottsdazzle	Event operations and implementation; budget exclusive of creative and advertising.	\$ 300,000	\$ 300,000	The budget amount requested is the same as the past two years. Event production cost + lighting + PR/Marketing = \$620,000. Discussion about either expanding and/or promoting other areas within City of Scottsdale.
Western Week	Event creation and supplemental for existing events. The City is collaborating with the 22 Arizona tribes to create Arizona Indian Festival and investing \$60,000. It is our intention that this could become an annual event as part of Western Week. Remaining budget could support additional aspects of other Western Week events.	\$ 100,000	\$ 100,000	Event production + promotions = \$140,000. Additionally, events under the Western Week umbrella i.e. Gold Palette ArtWalk, Hashknife Pony Express and Parada del Sol receive direct funding from the TDC.
Spring Training	Potential events through Cactus League and/or San Francisco Giants.	\$ 10,000	\$ 10,000	
Seasonal Entertainment	This investment began in Year 1 of the Tourism Strategic Plan and has continued for all five years. Request by TATF and staff is to continue seasonal entertainment annually.	\$ 85,000	\$ 75,000	Staff reviews annually and creates new / different entertainment as well as annual favorites.

**TOURISM DEVELOPMENT CARRY-OVER FUND**  
**FY 2018/19 OPERATING BUDGET REQUEST**

Production & Staffing	Year three of three year contract with vendor to provide operational and production support of three events annually.	\$ 125,500	\$ 135,500	ESI is the contracted vendor through a piggyback contract with City of Mesa.
		<b>\$ 620,500</b>	<b>\$ 620,500</b>	
Event Promotion & Buys				
Scottsdazzle	Advertising buy to promote Scottsdazzle for six weeks.	\$ 60,000	\$ 60,000	KEZ 99.9 (\$50K); \$10K Google & FaceBook Ads
Western Week	Online advertising, PR/Media, commemorative posters.	\$ 40,000	\$ 40,000	
Spring Training	Online promotional buy and commemorative posters.	\$ 10,000	\$ 15,000	
		<b>\$ 110,000</b>	<b>\$ 115,000</b>	
Décor & Wayfinding				
Holiday Lighting	New request for additional holiday lighting / décor for Scottsdazzle.	\$ -	\$ 100,000	The City invests \$160,000 annually through General Fund for Permanent and Seasonal lighting.
Pedestrian Signage	New request; estimated cost for pedestrian signage.	\$ -	\$ 250,000	New request based on launch of new downtown brand.
		<b>\$ -</b>	<b>\$ 350,000</b>	
Public Art				
Canal Temporary Art	To ensure a temporary installation remains in or above the Arizona Canal following Canal Convergence in November 2018 through March 2019.	\$ 150,000	\$ 150,000	Potential for a portion of the dollars to come from the Community Arts Trust a separate City special revenue fund.
Scottsdazzle Art	Either a new installation or retain a Canal Convergence installation as part of Scottsdazzle similar to Los Trompos in 2016 and Prismatic in 2017.	\$ 75,000	\$ 75,000	
		<b>\$ 225,000</b>	<b>\$ 225,000</b>	
Special Events Operations				
Street Banner Program	Street operation hours charged to TED for installing banners for special events.	\$ 20,044	\$ 20,000	
Barricade Rentals	For major events such as Rock 'n' Roll Marathon.		\$ 35,000	
Porta-John Rentals	With a lack of public restrooms within certain areas/districts in Downtown, support porta-john rentals for special occasion days and special events.		\$ 20,000	
Other Rentals / Misc. Expenses	Support unbudgeted city services for special events; purchase street banner hardware, tents, etc.		\$ 20,000	
		<b>\$ 20,044</b>	<b>\$ 95,000</b>	

**TOURISM DEVELOPMENT CARRY-OVER FUND  
FY 2018/19 OPERATING BUDGET REQUEST**

	<b>TOTAL BED-TAX CARRYOVER BUDGET REQUEST:</b>	<b>\$ 1,255,544</b>	<b>\$ 1,655,500</b>	
Adminstration				
FTE Marketing/PR/Events Position	As a portion of the \$500,000 Administration allocation, staff is recommending a FTE position be paid through bed-tax. This position would implement marketing and public relations strategies and plans as well as assist in event planning.	\$ -	\$ 92,000	

# COMMUNITY & ECONOMIC DEVELOPMENT | Tourism & Events

<b>Staff Summary</b>	<b>Actual 2015/16</b>	<b>Approved 2016/17</b>	<b>Adopted 2017/18</b>	<b>Change 16/17 to 17/18</b>
Full-time Equivalents (FTE)	6.50	6.50	6.50	0.00
% of city's FTEs			0.26 %	

<b>Expenditures By Fund</b>	<b>Actual 2015/16</b>	<b>Approved 2016/17</b>	<b>Adopted 2017/18</b>	<b>Change 16/17 to 17/18</b>
General Fund	5,421,553	6,213,677	5,749,650	-464,027
Special Programs Fund	187,293	358,855	100,000	-258,855
Tourism Development Fund	10,986,823	14,504,009	13,730,770	-773,239
<b>Total Budget</b>	<b>16,595,669</b>	<b>21,076,541</b>	<b>19,580,420</b>	<b>-1,496,121</b>

<b>Expenditures By Type</b>	<b>Actual 2015/16</b>	<b>Approved 2016/17</b>	<b>Adopted 2017/18</b>	<b>Change 16/17 to 17/18</b>
Personnel Services	595,066	710,221	749,690	39,469
Contractual Services	15,478,407	17,709,482	17,722,191	12,709
Commodities	10,716	8,215	8,185	-30
Capital Outlays	0	520,354	520,354	0
<b>Subtotal Operating Budget</b>	<b>16,084,189</b>	<b>18,948,272</b>	<b>19,000,420</b>	<b>52,148</b>
Operating Projects	511,480	2,128,269	580,000	-1,548,269
<b>Total Budget</b>	<b>16,595,669</b>	<b>21,076,541</b>	<b>19,580,420</b>	<b>-1,496,121</b>

## Budget Notes and Significant Changes

- The increase in Personnel Services is due to transferring the budget of a Citizen Advisor position from the Planning and Development Department (Note: this position was also modified from 100 percent General Fund to 50 percent General Fund, 50 percent Tourism Development Fund as the position also benefits tourism by overseeing the downtown ambassadors program) (General Fund and Tourism Development Fund). The increase in Personnel Services would have been greater but has been offset by the extra 27th pay date, which occurred in FY 2016/17 based on the timing of the payroll calendar and does not occur in FY 2017/18 (General Fund).
- The decrease in Operating Projects is primarily due to the net change of the following: 1) one-time funding for critical Scottsdale Arts Facility upgrades included in FY 2016/17 has been removed from FY 2017/18. However, all of the upgrades will not be completed by fiscal year end; therefore, the remaining budget has been carried forward into FY 2017/18 to finish the work (General Fund); 2) a decrease related to the elimination of one-time funding that was authorized in FY 2015/16 and partially carried forward into FY 2016/17 for Scottsdale Arts Facility upgrades and improvements (General Fund); 3) funding included in FY 2016/17 to implement year 4 of the Tourism Strategic Plan will not be fully spent and; therefore, the remaining amount will be carried forward into FY 2017/18 (Tourism Development Fund); 4) moving the Downtown Cultural Trust account to the Planning department (Special Programs Fund); and 5) a decrease related to eliminating the one-time funding included in FY 2016/17 for the Scottsdale Museum of the West Permanent Hopi Pottery Gallery (Tourism Development Fund).